

Alternative Credit Overview

In today's financial markets, investors are faced with some potential challenges when trying to determine where it is best to place funds. With global central banks walking the tightrope between fighting inflation and avoiding a recession, investors are faced with both uncertainty, and increased volatility, in the bond market. However, one key objective remains a constant force when discussing bond portfolio positioning: finding income.

So, where can an investor turn to find income in this uncertain environment? One potential answer is Alternative Credit.

What is Alternative Credit?

Alternative Credit consists of debt and debt-based investments whose yield and/or expected return is higher than investment-grade fixed income securities. Historically, this investment space has been primarily limited to institutional or ultra-high net worth investors through private fund instruments, but publicly traded alternative credit vehicles (PACs) offer another way of access for a wide range of alternative credit sectors on an intra-day basis.

PACs are a subset of Business Development Companies (BDCs), Real Estate Investment Trusts (REITs) and Closed-End Funds (CEFs). Here are some examples of what each sub-sector consists of:

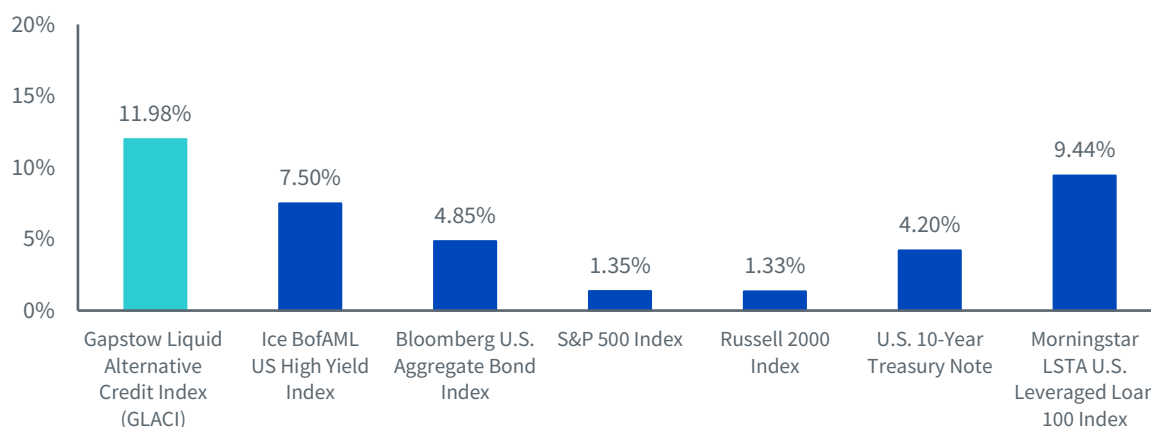
PACs	Alternative Credit Sector	Primary Holdings of PACs
BDCs	<ul style="list-style-type: none">• Private Corporate Lending	<ul style="list-style-type: none">• Middle Market Corporate Loans• Venture Debt
REITs	<ul style="list-style-type: none">• Commercial Real Estate Lending• Agency Real Estate Debt• Non-Agency Real Estate Debt• Multi-Sector Alternative Credit	<ul style="list-style-type: none">• Agency Mortgage-Backed Securities• Non-Agency<ul style="list-style-type: none">--Mortgage-Backed Securities--Whole Loans
CEFs	<ul style="list-style-type: none">• Public Corporate Debt• Multi-Sector Alternative Credit	<ul style="list-style-type: none">• Asset-Backed Securitizations• Mortgage-Backed Securitizations• Collateralized Loan Obligations• High-Yield Bonds• Leveraged Loans

Source: WisdomTree, Gapstow

Where Does Alternative Credit Fit in a Portfolio?

In order to complement existing bond portfolios and potentially augment yield in the process, investors could consider utilizing the WisdomTree Alternative Income Fund (HYIN), which seeks to track the price and yield performance before fees and expenses, of the Gapstow Liquid Alternative Credit Index (GLACI). This strategy may offer considerable yield advantages versus a variety of both equity and fixed income classes and seeks to provide a moderate to low correlation to equity and fixed income markets.

Current Yields



Source: WisdomTree, Gapstow, Bloomberg, as of 3/31/2024. Past performance is not indicative of future results. You cannot invest directly in an index. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs, brokerage commissions on transactions. Such fees, expense and commissions would reduce returns.

WisdomTree views alternative credit as a longer-term, strategic investment within a portfolio. With the goal of providing higher yields without taking on disproportionately higher risk, the WisdomTree Alternative Income Fund (HYIN) offers a potential solution for income-focused investors.

Standardized Annual Returns (as of 03/31/2024)					
Fund/Index	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
WisdomTree Alternative Income Fund (NAV)	21.01%	N/A	N/A	N/A	0.32%
WisdomTree Alternative Income Fund (Price)	20.90%	N/A	N/A	N/A	0.32%
Gapstow Liquid Alternative Credit Index	21.41%	N/A	N/A	N/A	0.78%
S&P 500 Index	29.88%	N/A	N/A	N/A	10.02%
ICE BofA Merrill Lynch U.S. High Yield Index	11.00%	N/A	N/A	N/A	1.83%

Source: WisdomTree, Bloomberg, FactSet. A fund or portfolio may differ significantly from the securities included in the index. Fund inception date 5/6/2021. 30-Day SEC Yield 12.11%.

Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the most recent month-end is available at wisdomtree.com/investments for WisdomTree Funds.

WisdomTree shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 p.m. EST net asset value (NAV). Market price ("Price") returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

Quick Facts (as of 3/31/2024)	
Ticker	HYIN
Exchange	CBOE
Management Fee	0.50%
Acquired Fund Fees and Expenses	2.69%
Total Expense Ratio	3.15%
Structure	Open-end ETF
Exposure	BDCs, CEFs and REITs
Number of Holdings	35
Rebalancing	Quarterly
Reconstitution	Semi-annually

¹Acquired Fund Fees and Expenses are fees and expenses incurred indirectly by the Fund through its investments in certain underlying investment companies. The number reflects estimated amount for the current fiscal year.

**For more information on HYIN or our other ETFs, please visit
WisdomTree.com/investments**

Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. To obtain a prospectus containing this and other important information, please call 866.909.9473 or visit WisdomTree.com/investments to view or download a prospectus. Investors should read the prospectus carefully before investing.

Glossary:

10-year U.S Treasury: a debt obligation of the U.S. government with an original maturity of ten years. BDC: An organization that invests in small- and medium-sized companies as well as distressed companies. Bloomberg U.S. Agg: Represents the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, as well as mortgage and asset backed securities. CEF: is a collective investment vehicle based on issuing a fixed number of shares which are not redeemable from the fund. Correlation: Statistical measure of how two sets of returns move in relation to each other. Correlation coefficients range from -1 to 1. A correlation of 1 means the two subjects of analysis move in lockstep with each other. A correlation of -1 means the two subjects of analysis have moved in exactly the opposite direction. Gapstow Liquid Alternative Credit Index (GLACI): an equal-weighted index that tracks the performance of 35 “Publicly Traded Alternative Credit Vehicles” (PACs) using an objective, rules-based methodology. ICE BofAML US Corporate Index(COA0): The ICE BofAML US Corporate Index tracks the performance of the universe of US dollar denominated investment grade corporate debt publicly issued in the U.S. market. Investment Grade: A rating given to a municipal or corporate bond. It is a relatively favorable rating by either Moody’s or Standard & Poor’s indicating a higher chance an issuer performs interest and principal obligations as promised by the terms of the debt issuance. REIT: Investment structure containing a basket of different exposures to real estate, be it directly in properties or in mortgages. Returns predominantly relate to changes in property values and income from rental payments. Russell 2000 Index: Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. S&P 500 Index: Market capitalization-weighted benchmark of 500 stocks selected by the Standard and Poor’s Index Committee designed to represent the performance of the leading industries in the United States economy. Morningstar LSTA U.S. Leveraged Loan 100 Index: designed to reflect the performance of the largest loan facilities in the leveraged loan market. SEC 30-day yield: represents net investment income earned by the Fund over the 30-Day period, expressed as an annual percentage rate based on the Fund’s share price at the end of the 30-Day period. Spreads: Typically refers to a difference between a measure of yield for one asset class and a measure of yield for either a different subset of that asset class or a different asset class entirely. Yield: The income return on an investment. Refers to the interest or dividends received from a security that is typically expressed annually as a percentage of the market or face value.

HYIN Risk Information: There are risks associated with investing, including the possible loss of principal. The Fund invests in alternative credit sectors through investments in underlying closed-end investment companies (“CEFs”), including those that have elected to be regulated as business development companies (“BDCs”), and real estate investment trusts (“REITs”). The value of a CEF can decrease due to movements in the overall financial markets. BDCs generally invest in less mature private companies,

which involve greater risk than well-established, publicly traded companies and are subject to high failure rates among the companies in which they invest. By investing in REITs, the Fund is exposed to the risks of owning real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit, and the Fund does not attempt to outperform its Index or take defensive positions in declining markets. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

WisdomTree Funds are distributed by Foreside Fund Services, LLC in the U.S.

Foreside Fund Services LLC is not affiliated with the other entities mentioned.

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